Economics

Chapter 1

1. Economics is commonsense \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of how and why people, businesses, and governments make the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ they do.
2. Insatiability - everyone has \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ wants.
3. Scarcity - Everything is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, or limited in quantity.
4. Economic Cost - The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ people place on a good or service.
5. Good - Any \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ thing that has a \_\_\_\_\_\_\_\_\_\_\_\_\_ life span.
6. Services - Intangible items which usually involve performing \_\_\_\_\_\_\_\_\_ or an \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
7. Economic Goods & Services - The goods and services that bear a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ economic cost (price tag > zero)
8. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ - Goods that a consumer pays to have removed have a negative economic cost.
9. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ - the service of turning nuisance goods into economic goods.
10. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ goods & services - goods and services with a price tag of zero.
11. TANSTAAFL: \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ \_\_\_\_ \_\_\_\_\_\_ \_\_\_\_\_\_\_\_ \_\_\_ \_\_\_ \_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_.
12. \_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ - A thing is valuable because of the nature of the product, such as its scarcity or the amount of labor/natural resources that goes into its production.
13. Carl Menger, in *Principles of Economics*, 1871 says the diamond-water paradox demonstrates the principle of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
14. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ - usefulness
15. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_ - the satisfaction you receive from the choice you make.
16. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_ - the satisfaction you give up or the regret you experience for not choosing differently.
17. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ - an imaginary unit of satisfaction
18. Microeconomics –
19. Macroeconomics -